

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAUCUS. Madam President, I ask unanimous consent that morning business be concluded.

#### CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Morning business is closed.

#### RENEWABLE ENERGY AND JOB CREATION ACT OF 2008

The PRESIDING OFFICER. Under the previous order, the Senate will proceed to the consideration of H.R. 6049, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 6049) to amend the Internal Revenue Service Code of 1986 to provide incentives for energy production and conservation, to extend certain expiring provisions, to provide individual income tax relief, and for other purposes.

AMENDMENT NO. 5633

Mr. BAUCUS. Madam President, on behalf of Senator GRASSLEY and myself, I call up amendment No. 5633, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Montana [Mr. BAUCUS], for himself, Mr. GRASSLEY, and Mr. REID, proposes an amendment numbered 5633.

Mr. BAUCUS. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under "Text of Amendments.")

Mr. BAUCUS. Madam President, this amendment would extend and improve tax incentives for clean, renewable energy. It is a good energy amendment and energy policy for America.

Here is the bottom line: This amendment would create thousands of new American jobs—jobs that would pay good wages. This amendment would begin the end of America's dependence on foreign oil. And this amendment gives us a chance to show America, before we go home in October, that Congress can actually work for them.

This amendment would extend and improve tax credits for wind and solar power. It would extend and improve tax incentives for building and appliance efficiency. And it would extend and improve incentives for clean coal and biofuels.

And this amendment would create new incentives for clean energy. It includes a credit of up to \$7,500 to help consumers purchase plug-in hybrid cars. It includes a breakthrough credit for the capture and storage of carbon dioxide.

And it includes a new tax incentive for what people are calling "smart meters." Smart meters provide real-time information on electricity use. And thus smart meters have proven to reduce electricity use.

This amendment would allow my home State of Montana to further develop its vast energy resources, from wind power to biofuels, from clean coal to solar power.

I have been trying to pass a version of this amendment for most of the last couple years. And I am very pleased that passage may well be at hand.

Mr. President, the last bill that extended energy tax provisions was the Tax Relief and Health Care Act of 2006. The ink was hardly dry on that law before I set out to extend and modify the energy incentives that it included.

The Finance Committee undertook a series of hearings on energy-tax policy at the beginning of last year. Our hearing topics ranged from renewable electricity to biofuels, from electric vehicles to carbon sequestration, from energy efficiency to clean coal technology. We heard from a wide range of experts on the need for reliable, long-term tax incentives for clean energy, and how best to invest in these incentives.

We used this input to develop a far-ranging clean-energy bill. It would have invested roughly \$30 billion over 10 years.

Our bill included long-term extensions for the wind and solar tax credits. It included long-term extensions and modifications of incentives for improved building efficiency. It included new incentives, such as favorable tax treatment for transmission lines, so we can get renewable power to the market. And it included a credit for cellulosic biofuels, which I am proud to have helped pass a couple months ago in the farm bill.

In keeping with the philosophy of paying-as-you-go, the Finance Committee offset the cost of that package. The offsets largely scaled back or repealed tax breaks for the long-established oil and gas industry.

We scaled back tax incentives for oil and gas companies in order to increase tax support for clean energy. Our rationale was twofold.

First, we argued that as America moves to address global warming, we should begin to provide Federal support for energy that is less carbon-intensive, not more.

Second, we argued that with oil and gas prices on the rise, the oil and gas industry did not need tax incentives that it may have needed in the past. Indeed, in 2005, President Bush said, "I will tell you with \$55 oil we don't need incentives to oil and gas companies to explore." When the Finance Committee reported our bill on June 19, 2007, oil traded at more than \$69 a barrel.

We needed 60 votes to pass the bill. And the oil and gas industry lobbied hard to prevent us from reaching that threshold. We had a strong Senate majority for the Finance Committee product. But we fell 3 votes shy of the 60 needed to break a filibuster.

So we went back to the drawing board. We listened to the concerns from the other side that the oil and gas

tax offsets were too big. We scaled back our bill. We worked with the House Ways and Means Committee to produce a package with a roughly \$20 billion pricetag—about a third smaller than our committee-reported bill.

And the argument for our offsets grew stronger. When the Finance Committee reported its bill, a barrel of oil sold for \$69. Four weeks later, oil crossed the \$75 threshold. In October of last year, oil topped \$85 a barrel. And a month after that, oil reached \$95 a barrel.

In December of last year, we presented our revised \$20 billion energy package to the Senate. When the Senate voted on that package, oil traded at \$92 per barrel.

Our argument swayed a couple of votes, but not enough to break 60. Despite dramatically scaled-back oil and gas tax offsets, our bill fell short by just one vote: 59 votes to 40.

So I went back to the drawing board another time. I wrote an energy tax package without oil and gas offsets.

I introduced legislation to pay for an energy-tax package by closing tax loopholes and by delaying a tax benefit for multinational corporations. These items also offset the cost of expiring nonenergy tax provisions, such as the tuition deduction and the research and development credit.

I have tried to move this package for the last several months. While I dropped the oil and gas tax offsets, some still objected. We made several attempts to pass this vital legislation, with non-oil and gas tax offsets. But it did not clear the Senate.

But now energy prices are sky-high. And many more Senators have come to agree that it makes sense to scale back oil and gas tax breaks.

So Senator GRASSLEY and I worked together to rewrite our energy tax package one more time. The package before us today is a bit more modest than it used to be. But it is still a valuable set of incentives.

It would foster clean-energy jobs, here in America. It would help us to address energy independence. And it would help us to address global warming.

Our amendment would extend the section 45 production tax credit, for wind and biomass and geothermal. It would provide an 8-year extension of the credit for solar projects. And it would remove the \$2,000 cap on the residential solar credit, giving consumers a strong incentive to power their homes with solar power. The amendment would extend the biodiesel credit, as well as the incentive for property used to refuel alternative vehicles.

As before, today's amendment also has several new incentives. It includes the new plug-in hybrid credit—an incentive of up to \$7,500 for consumers to purchase clean-running, next-generation vehicles. The amendment includes new incentives for conservation as well—in the form of those "smart meters" and investments in recycling property.